EXCISE PET 14 LIBYA
PET LIBYA

Department of State

TELEGRAM

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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CJ DATE 8/4/11
PORTIONS DENIED AS INDICATED

11/Applic 9-5-70 11/26

21 11
ACTION AF-05

INFO OCT-01 SS-20 NSCE-00 NSC-10 SSO-00 CCO-00 INR-07
CIAE-00 NSAE-00 E-04 L-02 OER-01 PRS-01 USIE-00 RSR-01
RSC-01 /053 W

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O R 051052Z SEP 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC IMMEDIATE 6844
INFO AMEMBASSY BENGHAZI

C O N F I D E N T I A L TRIPOLI 2136

LIMDIS

SUBJ: OCCIDENTAL POSTED PRICE SETTLEMENT

REF: TRIPOLI 2130

1. OXY [redacted] INFORMED LOCAL COMPANY MANAGERS OF THOSE DETAILS HE AUTHORIZED TO DIVULGE CONCERNING OCY'S SETTLEMENT WITH LARG. HE CONFIRMED 30 CENTS PER BARREL INCREASE TO $2.53, EFFECTIVE SEPTEMBER 1, 1970, WITH "SOME RETROACTIVITY" (HE WOULD GIVE NO SPECIFICS ON THIS) PLUS ANNUAL INCREMENTS OF 2 CENTS PER BARREL, BEGINNING JANUARY 1, 1971, UNTIL OVER-ALL POSTED PRICE INCREASE OF 40 CENTS IN ACHEIVED. B4

2. [redacted] NO QUIDS PERTAINING TO SIDE ISSUES, SUCH AS OXY GAS PLANT, SETTLEMENT OF WHARFAGE FEES ISSUE, ISSUANCE OF LABOR PERMITS, IN-COUNTRY PAYMENTS FOR EXPATRIATES, OR ON KUFRA PROJECT, WERE RECEIVED. IN FACT, OXY'S CONTRIBUTION TO KUFRA PROJECT WILL INCREASE BY FACTOR OF THREE. ONLY CONCESSION [redacted] WAS THAT OXY'S PRODUCTION QUOTA WAS RAISED TO 700,000 B/D. [redacted] LARG INTENDS TO SELECT MARATHON AS NEXT COMPANY WITH WHICH TO NEGOTIATE. B4

(2)

3. [redacted] LOCAL MANAGERS INCREDULOUS THAT OXY COULD HAVE GIVEN SO MUCH IN POSTED PRICE INCREASE WITHOUT RECEIVING MAJOR B4

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QUIDS. GLOSS SPECULATES THAT ONE MAJOR QUID WHICH OXY DID RECEIVE IS THAT IT WAS NOT NATIONALIZED. HOWEVER, [redacted] OXY'S ACCEPTANCE OF NEW POSTED PRICE, AND AT SUCH GENEROUS TERMS, UNDOUBTEDLY WILL WEAKEN NEGOTIATING POSTURE OF OTHER COMPANIES VIS-A-VIS LARG. GP-4. B4
PALMER

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